

# Builders Risk Insurance

## 6 Key Considerations for Issuing Coverage

**Builders risk insurance protects insurable interest in** materials, fixtures and equipment that are part of construction and renovation projects. Following are six considerations to keep in mind when securing coverage for your client's residential or commercial construction project. While this list is not exhaustive, it covers the basic information you will need to start the conversation about builders risk insurance. You can take a deeper dive into builders risk when you read US Assure's [Builders Risk Insurance 101 Guide](#).

### Questions to Ask

#### 1. When should coverage be secured?

Commonly, builders risk policies are secured just prior to or upon the date of construction. What does this mean for the agent? Typically, this means that clients searching for builders risk insurance are in a distinctly time-sensitive situation. Ideally, policies are purchased before construction commences. When clients begin construction before purchasing a policy, coverage can often still be secured – dependent on the percentage of construction complete and the provider's underwriting guidelines.

#### 2. How is the policy limit determined?

Builders risk policy limits should be based on the total estimated completed project value. The project value is the composite of all materials, overhead and labor costs associated with construction project; it does not include the value of the land. The best way to verify the total project value is for agents to ask their clients for a copy of the construction agreement or cost breakdown.

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### Questions to Ask *(Continued)*

#### 3. Can the policy limit change?

Increases in project scope are often inevitable. Changes in materials, fixtures, equipment, and other variances from the initial design plans will impact the total completed value of the project. If not reported, the project will be underinsured should a claim arise. It is always good practice for agents to remind clients to report changes in project value as it occurs – which allows the project value in the policy to be amended, per the provider's underwriting guidelines. When that reporting does not take place in a timely manner, a change order endorsement is an option. The US Assure Builders Risk Plan insured by Zurich offers a change order endorsement that allows coverage for up to 30 percent of completed residential project value, should a covered loss occur before changes in project value are properly reported to the provider. The change order endorsement may be purchased at the time of policy inception or during the policy term.

#### 4. What types of policies are available?

US Assure offers a variety of policies to insure residential and commercial new construction, remodeling and installation projects. Through the Builders Risk Plan, agents can secure single structure policies, and reporting forms or blanket policies for multiple project builds per year. Policies may be purchased in the name of the owner, builder or contractor.

#### 5. What specialty coverages and endorsements are offered?

Builders risk often covers damages from a broad range of exposures including fire, theft and vandalism. It is important for agents to have a comprehensive understanding of the project in order to advise their clients that additional protection is available through a variety of specialty coverages and endorsements specific to builders risk insurance. Read more about available policy options. Download [Builders Risk Insurance: Understanding 10 Optional Coverage Endorsements](#).

#### 6. How do agents choose the best builders risk partner?

Selecting a builders risk partner with a proven track record of fast, fair claims handling and consistent underwriting is critical. Agents who partner with US Assure to provide their clients the Builders Risk Plan insured by Zurich can feel confident in the expertise and stability they will be afforded.

For additional information, contact our dedicated team of more than 50 specialists at (800) 800 - 3907, or visit [usassure.com](https://usassure.com).

[Request a Consultation](#)

# About US Assure

**US Assure** is a premier program administrator and insurance services provider. With nearly 40 years of experience in the construction industry, US Assure exclusively manages, distributes and services the Builders Risk Plan insured by Zurich, and other property products, throughout the United States and Canada. Agents interested in partnering with US Assure to access the Builders Risk Plan insured by Zurich can register online in four easy steps for instant access with no minimum commitment. Registered US Assure agents are equipped to provide a comprehensive range of builders risk products for projects of any size and value. For more information, visit [usassure.com](http://usassure.com).

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This is intended as a general description of certain types of insurance and services available to qualified customers. Your policy is the contract that specifically and fully describes your coverage. The description of the policy provisions gives a broad overview of coverages and does not revise or amend the policy.